

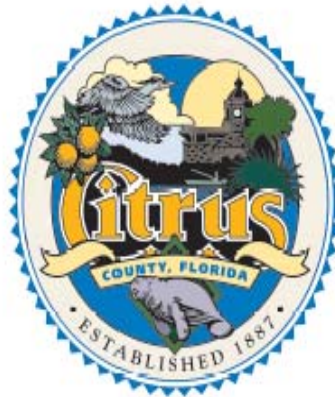


DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA**

AUDIT OF CITRUS COUNTY SOLID WASTE COMMERCIAL DISPOSAL FEES



An Accredited Office of
Inspectors General

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APRIL 6, 2016
REPORT NO. 2016-06



Ken Burke, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

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April 6, 2016

Ms. Angela Vick, Clerk of Circuit Court and Comptroller, Citrus County

Ms. Robin C. Barclay, Chief Audit Officer, Clerk of Circuit Court and Comptroller, Citrus County

At your request, we conducted an audit of the Citrus County Solid Waste Commercial Disposal Fees. Our audit objectives were to:

- Determine if the solid waste disposal fees billed and collected by the County are accurate and proper.
- Ensure that the solid waste disposal fee process is in compliance with related contracts, County ordinances, and fee schedules.
- Determine the adequacy of the internal controls for the solid waste disposal fee process (manual and automated).
- Evaluate the adequacy of County documentation and adherence with Florida Statute, Chapter 119, Public Records, or the County's records retention policies for the solid waste disposal fee process.

We conclude that the current Department of Management and Budget process, which covered the billing cycles from the first quarter of 2015 through the first quarter of 2016, is in compliance with County Ordinance Section 90-765(d), Florida Statute, Chapter 119, Public Records, and the County's records retention policies. The Solid Waste Management billing process, which covered the billing cycles from the first quarter of 2010 through the fourth quarter of 2014, did not comply with County Ordinance Section 90-765(d). The quarterly audits and proper evaluations of any differences were not performed, which resulted in errors in the billings to the commercial accounts. Based on the documentation available, a potential loss of \$3,974.96 in commercial disposal fees may have occurred over the four-year period. Furthermore, Florida Statute, Chapter 119, Public Records, and the County's records retention policies were not adhered to during this period. Opportunities for Improvement are presented in this report.

We appreciate the cooperation shown by the staff of the Citrus County Solid Waste Management Department, County Management, the Commercial Haulers, and the Internal Audit Division of the Citrus County Clerk of the Circuit Court and Comptroller during the course of this review. We commend management for their responses to our recommendations.

Respectfully submitted,

Hector Collazo Jr.
Inspector General/Chief Audit Executive



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Inspector General

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INTRODUCTION

Executive Summary

The current Department of Management and Budget (DMB) billing process covering the first quarter of 2015 through the first quarter of 2016 is in compliance with County Ordinance Section 90-765(d), Florida Statute, Chapter 119, Public Records, and the County's records retention policies.

County Ordinance Section 90-765(d) states that the Office of Management and Budget (OMB) will do quarterly audits of all commercial accounts to verify the accuracy of its billing information. However, prior to the first quarter of 2015, quarterly audits were handled by Solid Waste Management (SWM), and not OMB. The SWM billing process covering the first quarter of 2010 through the fourth quarter of 2014 did not comply with County Ordinance Section 90-765(d). Quarterly audits and proper evaluations of any differences were not performed, which resulted in billing errors in the commercial accounts. Based on the documentation available, a potential loss of \$3,974.96 in commercial disposal fees may have occurred over the four-year period.

While conducting the audit, a discrepancy was identified pertaining to County Ordinance 90-764(c). The current Disposal Service Unit Rate (DSUR) is \$1.00; however, County Ordinance 90-764(c) reflects a DSUR of \$1.90.

Background

County Ordinance Section 90-765 covers the payment and collection of commercial disposal fees. Part (d) of this section requires performing quarterly audits of all commercial accounts to verify the accuracy of billing records. However, the Ordinance is silent on the scope of the audit procedure and retention of the associated documentation.

The County billing records are maintained in the Black Mountain application, which is considered the system of record for the SWM disposal billing process. Some information relating to revenue process adjustments can be retrieved from the application. Haulers are required to submit their customer listing to the County on a quarterly basis. Hauler requirements are documented in the *Citrus County Commercial Solid Waste Assessment Certified Waste Collectors Training Guide*.

The DMB assumed the responsibility of performing quarterly audits of all commercial accounts to verify the accuracy of billing records starting the first quarter of 2015. The fees billed by DMB for 2015 were \$389,685.57, and the average number of commercial accounts was 1,375.

The current audit process followed by the DMB is as follows:

- The quarterly customer listing reports are received from the haulers by the first of November, February, May, and August.
- The Black Mountain haulers report is run from the application.
- The customer listing report and the hauler reports from Black Mountain are reconciled.
- Exceptions and/or discrepancies are investigated, and if needed, Black Mountain records are updated.
- Bills are mailed by the 15th of the month.

Scope and Methodology

We have conducted an audit of the Citrus County commercial solid waste disposal fee. Our audit covered:

1. The solid waste disposal fee billing process cycle, supporting applications, and related internal controls.
2. Verification of solid waste disposal fee billing information by SWM and DMB to hauler customer listing records.
3. Compliance with hauler contracts, County ordinances, and fee schedules.
4. Adherence to County records retention policies.

The objectives of our audit were to:

- Determine if the solid waste disposal fees billed and collected by the County are accurate and proper.
- Ensure that the solid waste disposal fee process is in compliance with related contracts, County ordinances, and fee schedules.
- Determine the adequacy of the internal controls for the solid waste disposal fee process (manual and automated).
- Evaluate the adequacy of County documentation and adherence with Florida Statute, Chapter 119, Public Records, or the County's records retention policies for the solid waste disposal fee process.

In order to meet the objectives of the audit, we:

- Interviewed SWM and DMB staff to understand the processes, procedures, and internal controls for the solid waste disposal fee billing process.
- Obtained from management and related parties supporting documentation for the solid waste disposal fee process.
- Reviewed and tested compliance with haulers' contracts, applicable County ordinances, and fee schedules for the solid waste disposal fee process.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General*, and accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The audit period was October 1, 2009 to February 29, 2016. However, transactions and processes reviewed were not limited by the audit period.

Overall Conclusion

Our conclusion is based on two separate processes covering two time periods:

1. The SWM billing process, which covered the first quarter of 2010 through the fourth quarter of 2014.
2. The DMB billing process, which covered the first quarter of 2015 through the first quarter of 2016.

Solid Waste Billing Process

Some of the billings for the commercial accounts may not be accurate. Differences were present between the financial billing information recorded on the Black Mountain hauler report and the customer listing. There is a lack of reliable documentation to determine the correct information. However, the financial billing information for the fee is included with the invoice sent to the commercial accounts. The fee process performed by SWM did not comply with the County Ordinance and internal procedures. The internal controls over the fee process were inadequate and line management oversight was not present. Fee documentation (documenting quarterly audits) was not properly maintained per Florida Statute, Chapter 119, Public Records, and the County's records retention policies.

DMB Billing Process

The billings for the period were accurate. The fee process is in compliance with the County Ordinance and internal procedures. Line management oversight is adequate and the internal controls present support the process. Retention and control over the fee documentation (documenting quarterly audits) is in compliance with Florida Statute, Chapter 119, Public Records, and the County's records' retention policies.

The term "quarterly audit" is defined as a reconciliation comparing the County records to the haulers' records each quarter. The documents used were the Black Mountain hauler report and the customer listing submitted by each hauler. Differences were investigated and resolved. This process is completed before the new quarterly billing is mailed so that all commercial client information is accurate.

Summary of Opportunities for Improvement

O/I NO.	OPPORTUNITIES FOR IMPROVEMENT CAPTIONS RECOMMENDATIONS	MANAGEMENT RESPONSES	IMPLEMENTATION STATUS
1	<i>Solid Waste Management Did Not Maintain Quarterly Audit Supporting Documentation Covering The First Quarter Of 2010 Through The Fourth Quarter Of 2014.</i>		
A	Continue following current policies and procedures being performed by DMB for the quarterly audit process. <i>No corrective action is needed by management.</i>	Concur	<i>No corrective action is needed by management</i>
B	Review options for automating the quarterly audit process to make it more efficient and effective. For example, require haulers to submit their customer listing through a web site or other portal in a predefined format matching the fields in the Black Mountain application. Having the customer listing information from all haulers in a consistent format that relates directly to the information in Black Mountain will allow automation of the quarterly audit process to identify differences between the two.	Partially Concur	In Progress
C	Consider updating County Ordinance 90-764(c) DSUR to the current DSUR.	Concur	Planned
2	<i>Retention Requirements For Quarterly Audit Documentation Is Not Formally Documented In Internal Procedures.</i>		
	Management's internal procedures include the requirement to retain all relevant billing and quarterly audit documentation. The procedure should cover retention of both paper and electronic records with reference to Florida Statute, Chapter 119, Public Records.	Concur	In Progress
3	<i>The Department Of Management And Budget Quarterly Audits Found Non-Compliance By Haulers For The Commercial Solid Waste Reporting Procedures.</i>		
	Require haulers to comply with the Change Form Procedure as stated in the <i>Certified Waste Collectors Training Guide</i> for the disposal fee process. To enforce compliance, consider assessing a fee if timely notification to the County is not made or use other means to ensure compliance.	Concur	Implemented No further action required

Introduction
Citrus County Solid Waste Commercial Disposal Fees

OFI NO.	OPPORTUNITIES FOR IMPROVEMENT CAPTIONS RECOMMENDATIONS	MANAGEMENT RESPONSES	IMPLEMENTATION STATUS
4	<i>The Black Mountain Application Does Not Produce Haulers' Reports Back Dated By Quarter.</i>		
A.	Continue to retain hauler reports in paper and electronic format at the DMB. <i>No corrective action is needed by management.</i>	Concur	Implemented No further action required
B.	Consider working with Black Mountain to determine if the application can be updated or configured to produce historical records by time period. If this is not feasible, consideration should be given to implementing an application specifically for this department.	Concur	Planned
5.	<i>Not All Of The Commercial Solid Waste Disposal Fee Records Were Available For Our Testing.</i>		
	Management's internal procedures include the requirement to retain all relevant billing and quarterly audit documentation. The procedure should cover retention of both paper and electronic records with reference to Florida Statute, Chapter 119, Public Records.	Concur	In Progress
6.	<i>Discrepancies In The Fee Assessment Factors Data Were Found Between The Black Mountain Haulers' Report And The Customer Listing Report (For The Time Frame Covering The First Quarter Of 2010 Through The Fourth Quarter Of 2014).</i>		

Introduction
Citrus County Solid Waste Commercial Disposal Fees

O/I NO.	OPPORTUNITIES FOR IMPROVEMENT CAPTIONS RECOMMENDATIONS	MANAGEMENT RESPONSES	IMPLEMENTATION STATUS
	<p>Keep the responsibility for the commercial solid waste disposal fee process with DMB. No additional analysis or investigation is recommended due to the following factors:</p> <ul style="list-style-type: none"> • The estimated impact on earnings for the four year period is not material. • The ability to obtain adequate and reliable supporting documentation to adjust past billings is not available. • The information contained in the Black Mountain application is limited. • The records from the haulers are not reliable. • Historical knowledge of former staff regarding the haulers and SWM operations is not available. <p>The Director of Public Works determined that the commercial solid waste fee process was not operating properly and transferred the responsibility to DMB starting the first quarter of 2015. The process is now operating properly. Additional information is contained in Opportunity for Improvement No. 1. <i>No corrective action is needed by management.</i></p>	Concur	Implemented No further action required
7.	The <i>Certified Waste Collectors Training Guide For The Disposal Fees Process</i> Is Not In Compliance With County Ordinance 90-765(d).		
A	Update the training guide to agree with County Ordinance 90-765(d), requiring haulers to transfer the required data to the Office of Management and Budget in a computer file format.	Concur	In Progress
B	Implement Opportunity for Improvement No. 1, Recommendation B, requiring haulers to submit their customer listing electronically in a predefined format.	Concur	In Progress

OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures, and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Solid Waste Management Did Not Maintain Quarterly Audit Supporting Documentation Covering The First Quarter Of 2010 Through The Fourth Quarter Of 2014.

County Ordinance Section 90-765(d) states that the OMB will do all quarterly audits of all commercial accounts to verify the accuracy of its billing information. However, prior to the first quarter of 2015, it was handled by SWM and not OMB. The SWM billing process covering the first quarter of 2010 through the fourth quarter of 2014 did not comply with County Ordinance Section 90-765(d). The quarterly audits and proper evaluations of any differences were not performed, which resulted in errors in the billings to the commercial accounts. In addition, the current Disposal Service Unit Rate (DSUR) is \$1.00; however, County Ordinance 90-764(c) establishes a DSUR of \$1.90.

Disposal fee quarterly audits were covered in two segments: (1) The SWM billing process, which covered the first quarter of 2010 through the fourth quarter of 2014, and (2) The DMB billing process, which covered the first quarter of 2015 through the first quarter of 2016.

- A. Prior to the first quarter of 2015, SWM was not able to produce the documentation supporting performance of the quarterly audit process for the first quarter of 2010 through the fourth quarter of 2014. The County had 24% of the quarterly hauler reports for the audit period. The haulers were contacted in an effort to obtain the unavailable reports. This resulted in a total of 85% of the quarterly hauler reports being available for the audit test period. However, 24% of those provided quarterly hauler reports were not testable due to several different factors: 1) No matching Black Mountain Report, 2) Report missing information, 3) Condition of report, etc. The internal procedure to maintain quarterly audit documentation in binders was not followed. See Opportunity for Improvement Nos. 6 and 7 for additional reviews conducted for this time frame.
- B. From the first quarter of 2015 through the first quarter of 2016, the quarterly audit billing process performed by DMB resulted in all five quarters being in compliance with internal procedures and the County Ordinance.

1. Documentation was appropriately maintained (Black Mountain haulers report and the commercial customer listing) in binders. Differences were noted, corrected, and supported by correspondence and change forms. The quarterly audit documentation is currently maintained in paper format and is being scanned electronically for retention.
 2. Administration requirements were properly performed:
 - a. The customer listings due from haulers quarterly (by the first of November, February, May, and August) were obtained.
 - b. The Black Mountain haulers' quarterly reports were printed within the correct time frame.
 - c. The Black Mountain hauler business records were corrected and/or adjusted by the 15th of the month for current billing.
 - d. Bills were mailed by mid-month (November, February, May, and August).
 - e. Delinquency notices were sent to businesses appropriately.
 - f. Suspension notices were sent to the haulers appropriately.
- C. The quarterly audit process is paper driven. Both the hauler and customer listing reports are printed to perform the process. In addition, the format of the haulers report and the customer listing report are different, thus limiting the use of automated processes. These factors result in the quarterly audit process being very labor intensive and time consuming. The current process limits the ability to incorporate electronic processes to improve the procedures and make them more effective and efficient.

SWM and staff originally tasked with performing and overseeing the billing and quarterly audits are no longer employed by the County. Current County and SWM staff could not locate the documentation evidencing that the quarterly audits were performed properly prior to the first quarter of 2015.

The internal manual titled, *Solid Waste Billing & Procedure*, states, "*File the Haulers list with the County's list in the quarterly list binder in back top credenza for verification.*" The manual is silent on retention requirements for the quarterly audit documentation. However, Florida Statute, Chapter 119, Public Records requires establishing a retention schedule. County Ordinance Section 90-765(d) requires a quarterly audit of existing accounts. During the course of the audit, we discovered that prior to the first quarter of 2015, there was no documentation to support that quarterly audits were performed.

We recommend management:

- A. Continue following current policies and procedures being performed by DMB for the quarterly audit process. *No corrective action is needed by management.*

- B. Review options for automating the quarterly audit process to make it more efficient and effective. For example, require haulers to submit their customer listing through a web site or other portal in a predefined format matching the fields in the Black Mountain application. Having the customer listing information from all haulers in a consistent format that interfaces directly with Black Mountain application will allow automation of the quarterly audit process to identify differences between the two.
- C. Consider updating County Ordinance 90-764(c) DSUR to the current DSUR.

Management Responses:

- A. Concur. Done as function was moved to DMB. No further action required.
- B. Partially Concur. Management prefers a report generated through the hauler's software in a format approved by the County with appropriate data rather than a manual or manipulated report, which has a higher potential for errors.
- C. Concur. Planned to be completed by fiscal year end 2016.

2. Retention Requirements For Quarterly Audit Documentation Is Not Formally Documented In Internal Procedures.

The quarterly audit process is an internal control process that may or may not be considered part of the revenue process. The quarterly audit process verifies that commercial records on the Black Mountain application used for billing are accurate. The internal procedure for the disposal fee process does not address retention of the quarterly audit documentation. Therefore, retention requirements for quarterly audits and related documentation must be formally defined and incorporated into the internal procedures pursuant to Florida Statute, Chapter 119, Public Records.

The Black Mountain application maintains a record of adjustments made on each commercial account number by date. Paper files with the corresponding commercial account number are maintained with the change form and other adjustment documentation. Billing and payment records are also maintained by the Black Mountain application. The changes made to the commercial account record should be adequately documented. Retaining the quarterly audit documentation from the prior quarter until the current reconciliation is complete must be a standard process.

We recommend management's:

Internal procedures include the requirement to retain all relevant billing and quarterly audit documentation. The procedure should cover retention of both paper and electronic records with reference to Florida Statute, Chapter 119, Public Records.

Management Response:

Concur. Documents to be held in paper form until input into Ebridge (County's document manager).

3. The Department Of Management And Budget Quarterly Audits Found Non-Compliance By Haulers For The Commercial Solid Waste Reporting Procedures.

The quarterly audits conducted by DMB for the first quarter of 2015 through the fourth quarter of 2015 found haulers not complying with the requirement of notifying the County when changes occurred in commercial account billing information. The change order procedure requires the change form to be submitted to the County (within three working days) for any changes to the existing account information. If the change form procedure was being followed by the haulers, a limited amount of timing differences may have occurred.

Not following the change form procedure results in Black Mountain business records not being current, and if not corrected, an incorrect billing amount is issued to the commercial customer.

We found (by quarter):

- First Quarter 2015 – Two haulers had above normal differences (10 – 25) and one hauler had excessive differences (26 and above).
- Second Quarter 2015 – One hauler had above normal differences and two haulers had excessive differences.
- Third Quarter 2015 – Two haulers had excessive differences.
- Fourth Quarter 2015 – One hauler had above normal differences and one hauler had excessive differences.
- First Quarter 2016 – A limited number of differences were found. Haulers were generally following procedures. For the seven haulers' audits, only 16 differences were noted and resolved.

Enforcement of required procedures by SWM prior to the first quarter of 2010 was not effective. The differences found during the quarterly audit process drastically increased the

time to perform the reconciliation. Compliance with County Ordinance Section 90-765(d), internal procedures, and the *Certified Waste Collectors Training Guide*, is required.

The analysis shows a major improvement in the hauler's compliance with the change form procedure for the first quarter of 2016. When the change form is submitted timely, differences between the hauler report and the customer listing are reduced to a minimum.

We recommend management:

Require haulers to comply with the Change Form Procedure as stated in the *Certified Waste Collectors Training Guide* for the disposal fee process. To enforce compliance, consider assessing a fee if timely notification to the County is not made or use other means to ensure compliance.

Management Response:

Concur. Completed and implemented starting October 1, 2015.

4. The Black Mountain Application Does Not Produce Haulers' Reports Back Dated By Quarter.

The Black Mountain application is the system of record for the disposal fee process. Most information related to this revenue process can be retrieved from the application database. However, the application does not offer the ability to obtain the hauler report data from the database for a selected period. When the commercial account information is updated, the database does not maintain a record of the prior information. Therefore, a paper copy of the haulers report must be retained or scanned to electronic format to support the quarterly audit process.

We recommend management:

- A. Continue to retain hauler reports in paper and electronic format at the DMB. *No corrective action is needed by management.*
- B. Consider working with Black Mountain to determine if the application can be updated or configured to produce historical records by time period. If this is not feasible, consideration should be given to implementing an application specifically for this department.

Management Responses:

- A. Concur. Documents to be held in paper form until input into Ebridge (County's document manager).

- B. Concur. Black Mountain Software to be replaced/updated upon decisions by the Board regarding the Landfill.

5. Not All Of The Commercial Solid Waste Disposal Fee Records Were Available For Our Testing.

Not all of the commercial solid waste disposal fee records were available for our testing. Therefore, the scope of our audit was limited. The time periods covering the first quarter of 2010 through the fourth quarter of 2014 were not tested due to the following:

A. Black Mountain Application:

As stated in Opportunity for Improvement No. 4, the Black Mountain application does not have the ability to produce the hauler reports for a prior date. We obtained the back-up files for the application database from Citrus County management; however, two back-up files for the needed dates were not available.

**Black Mountain Application Reports
Not Available For Testing For The Listed Haulers**

Year	Quarter	Hauler
2013	Second	Waste Management of Central Florida Inc.
		Advance Disposal Services Solid Waste SE Inc.
		Beverly Hills Waste Management
		Florida Express Environmental LLC
		Republic Services DBA Seaside Sanitation
2013	Third	Waste Management of Central Florida Inc.
		Beverly Hills Waste Management
		Florida Express Environmental LLC
		Republic Services DBA Seaside Sanitation

B. Customer Listing Reports:

SWM was only able to produce approximately 24% of the customer listing reports in hard copy or in electronic format from their internal records. We requested the haulers provide copies of the missing customer listing reports, if available. Not all the customer listing reports could be obtained.

Customer Listing Reports Not Available For Testing

Year	Quarter	Hauler
2010	First	FDS Disposal Inc.
	All Quarters	Waste Management of Central Florida Inc.
2011	Fourth	Waste Pro of Florida Inc.
2012	Third	FDS Disposal Inc.
2013	First, Third & Fourth	FDS Disposal Inc.
	Second & Fourth	Waste Pro of Florida Inc.
2014	First & Second	FDS Disposal Inc.
	Third	Advance Disposal Service Solid Waste SE Inc.
	All	Waste Pro of Florida Inc.

C. Haulers No Longer in Business:

Three haulers that serviced commercial accounts are no longer in business. Therefore, customer reports were not available.

Customer Listing Reports Not Available For Testing

From	To	Hauler
2010 First Quarter	2010 Fourth Quarter	Citrus Waste
2010 First Quarter	2014 Fourth Quarter	Veolia
2010 First Quarter	2012 Second Quarter	NCRS Disposal

As a result of the missing documentation, not all quarterly audits could be performed.

As recommended in Opportunity for Improvement No. 2, we recommend management's:

Internal procedures include the requirement to retain all relevant billing and quarterly audit documentation. The procedure should cover retention of both paper and electronic records with reference to Florida Statute, Chapter 119, Public Records.

Management Response:

Concur. Documents to be held in paper form until input into Ebridge (County's document manager).

6. Discrepancies In The Fee Assessment Factors Data Were Found Between The Black Mountain Haulers' Report And The Customer Listing Report (For The Time Frame Covering The First Quarter Of 2010 Through The Fourth Quarter Of 2014).

Based on our analysis, SWM staff was not performing quarterly audits as required by procedure and County Ordinance. There is limited documentation in the Black Mountain application that records the investigative process performed by SWM on accounts with differences. Corrective action on the part of SWM for the difference between the two reports (Black Mountain haulers' reports and customer listing) was not present for every quarter and hauler.

There is a lack of assurance that changes in the factors that affect the calculation of the assessment were properly reflected in the Black Mountain application.

In some cases, the invoice sent to the commercial accounts may not be accurate. However, the invoice sent by the County does list the factors used to calculate the fee.

We tested each quarter by hauler based on the information on the Black Mountain hauler report by comparing the information on the customer listing report (supplied by the hauler). Differences in the frequency of pickup, size of the container, or the number of bags were recorded on an Error Log (See Appendix). If the account was missing from either report, the account was recorded on the Error Log. Each account was "pulled up" on the Black Mountain application to obtain current information on adjustments or status. Results were documented on the Error Log.

Internal procedures distributed to the haulers should be in compliance with the related Ordinance.

There was a breakdown in SWM internal controls for the commercial solid waste disposal fee process. In addition, the issues noted represent a lack of proper oversight and review by SWM.

Black Mountain Haulers' Reports:

- As noted in Opportunity for Improvement No. 4, the Black Mountain application was not able to produce hauler reports by date.
- In order to obtain haulers' reports for each quarter, we requested the back-up database for the Black Mountain application from the Systems Management Department. We obtained the closest back-up version to the 15th of October, February, April, and July so any corrective entries would have been recorded in the Black Mountain application.

- Customer support for the Black Mountain application set up the application for each quarter, which enabled us to run the hauler reports for that time period. The reports were then compared to the customer listing reports for testing.

Customer Listing Reports:

- The customer listing reports were obtained from SWM hard copy and electronic records or supplied by the haulers.
- Some customer listing reports that were supplied by the hauler or SWM had missing or inaccurate information and did not permit the analysis to be performed.

Potential loss of solid waste commercial disposal fees for the time period tested was \$3,974.96. The impact on the collection of the fee is an estimate obtained from our analysis of the difference in information. Due to limited documentation, we were unable to determine what information was correct (hauler report or customer listing report) and the correct date for the changes.

We recommend management:

Keep the responsibility for the commercial solid waste disposal fees process with DMB. No additional analysis or investigation is recommended due to the following factors:

- The estimated impact on earnings for the four year period is not material.
- The ability to obtain adequate and reliable supporting documentation to adjust past billings is not available.
- The information contained in the Black Mountain application is limited.
- The records from the haulers are not reliable.
- Historical knowledge of former staff regarding the haulers and SWM operations is not available.

The Director of Public Works determined that the commercial solid waste disposal fee process was not operating properly and transferred the responsibility to DMB starting the first quarter of 2015. The process is now operating properly. Additional information is contained in Opportunity for Improvement No. 1. *No corrective action is needed by management.*

Management Response:

Concur. Done, as function was moved to DMB. No further action required.

7. The Certified Waste Collectors Training Guide For The Disposal Fee Process Is Not In Compliance With County Ordinance 90-765(d).

The *Certified Waste Collectors Training Guide* dated February 2015 does not agree with the County Ordinance, Section 90-765(d). There is a difference related to the format of the customer listing document required to be delivered to the County by the haulers.

The training guide states the hauler will, "*Provide a hard copy of the customer listing.*" The Ordinance states the listing should be provided, "*in a computer file format that is acceptable to the County.*"

The restriction for hard copy only delivery of the customer listing did not prevent some of the haulers from e-mailing an electronic PDF of their listing to the SWM.

We recommend management:

- A. Update the training guide to agree with County Ordinance 90-765(d), requiring haulers to transfer the required data to the Office of Management and Budget in a computer file format.
- B. Implement Opportunity for Improvement No. 1, Recommendation B, requiring haulers to submit their customer listing electronically in a predefined format.

Management Responses:

- A. Concur. Planned to be completed by fiscal year end 2016.
- B. Concur. In Progress, as haulers are requested to submit quarterly reports via e-mail.

APPENDIX
Citrus County Solid Waste Commercial Disposal Fees

Discrepancies Found In Performing The Audit Testing

Hauler	Year	Quarter	Results Of Testing					
*Test Data			D	C	No	+\$	-\$	**Notes
FDS Disposal	2010	2Q	20	13	7	3.24	2.68	
		3Q	32	0	32	26.08	956.42	
		4Q	22	9	13	3.24	27.08	
	2011	1Q	72	0	72	964.71	1,766.60	N-1
		2Q	14	0	14	12.90	100.93	
		3Q	38	0	38	10.75	133.85	
		4Q	61	0	61	19.36	23.67	
	2012	1Q	10	0	10	51.66	114.15	
		2Q	92	0	92	122.87	330.15	
		4Q	273	0	273	0.00	0.00	N-2
	2014	3Q	54	0	54	0.00	53.83	N-3
		4Q	20	0	20	436.35	705.43	N-4
Waste Pro of Florida Inc.	2011	1Q	8	0	8	0.00	61.54	N-5
		2Q	49	0	49	0.00	153.87	
		3Q	49	0	49	97.59	61.55	
	2012	1Q	NA	NA	NA	NA	NA	N-6
		2Q	73	0	73	0.00	0.00	
		3Q	32	0	32	206.38	123.09	
		4Q	NA	NA	NA	NA	NA	N-7
	2013	1Q	25	1	24	6.46	184.63	N-8
Waste Management of Central Florida Inc.	2011	1Q	3	0	3	184.63	0.00	N-9
		2Q	10	0	10	0.00	0.00	
		3Q	NA	NA	NA	NA	NA	N-10
		4Q	5	1	4	34.46	0.00	
	2012	1Q	4	0	4	246.18	107.70	
		2Q	8	0	8	0.00	0.00	
		3Q	5	0	5	0.00	92.32	
		4Q	3	0	3	123.09	0.00	N-11
	2013	1Q	16	2	14	103.38	0.00	
		4Q	33	1	32	246.00	430.33	
	2014	1Q	21	2	19	8.62	30.77	
		2Q	27	3	24	101.00	384.66	N-12
		3Q	33	0	33	0.00	30.77	
		4Q	10	0	10	0.00	0.00	

APPENDIX
Citrus County Solid Waste Commercial Disposal Fees

Hauler	Year	Quarter	Results Of Testing					
*Test Data			D	C	No	+\$	-\$	**Notes
Beverly Hills Waste Management	2010	1Q	14	5	9	112.55	3.77	
		2Q	11	1	10	105.46	3.77	
		3Q	11	3	8	4.31	11.50	
		4Q	7	2	5	0.00	2.16	
	2011	1Q	5	0	5	4.31	13.31	
		2Q	7	0	7	0.00	11.15	
		3Q	6	2	4	4.31	0.00	
		4Q	9	0	9	0.00	2.17	
	2012	1Q	5	0	5	6.46	15.46	
		2Q	7	0	7	17.22	17.18	
		3Q	3	0	3	0.00	17.62	
		4Q	5	0	5	6.46	15.46	
	2013	1Q	8	1	7	0.00	19.76	
		4Q	1	0	1	0.00	11.15	
	2014	1Q	2	1	1	0.00	0.00	
		2Q	4	1	3	0.00	0.00	
		3Q	3	1	2	0.00	94.78	
		4Q	3	1	2	2.16	2.15	
Florida Express Environmental LLC	2011	1Q	0	0	0	0.00	0.00	
		2Q	3	0	3	0.00	0.00	
		3Q	3	1	2	0.00	123.09	
		4Q	0	0	0	0.00	0.00	
	2012	1Q	0	0	0	0.00	0.00	
		2Q	3	0	3	30.78	0.00	
		3Q	1	0	1	0.00	0.00	
		4Q	3	0	3	0.00	123.09	
	2013	1Q	0	0	0	0.00	0.00	
		4Q	2	0	2	61.54	40.77	
	2014	1Q	10	7	3	0.00	584.64	
		2Q	9	4	5	0.00	430.82	
		3Q	5	0	5	0.00	276.95	
		4Q	8	0	8	1,138.58	0.00	
Republic Services	2011	1Q	6	0	6	246.18	492.36	
		2Q	0	0	0	0.00	0.00	
		3Q	0	0	0	0.00	0.00	

APPENDIX
Citrus County Solid Waste Commercial Disposal Fees

Hauler	Year	Quarter	Results Of Testing					
*Test Data			D	C	No	+\$	-\$	**Notes
		4Q	4	0	4	246.18	492.36	
	2012	1Q	NA	NA	NA	NA	NA	N-13
		2Q	NA	NA	NA	NA	NA	N-13
		3Q	NA	NA	NA	NA	NA	N-13
		4Q	0	0	0	0.00	0.00	N-13
	2013	1Q	NA	NA	NA	NA	NA	N-13
		4Q	NA	NA	NA	NA	NA	N-13
	2014	1Q	NA	NA	NA	NA	NA	N-13
		2Q	NA	NA	NA	NA	NA	N-13
		3Q	NA	NA	NA	NA	NA	N-13
		4Q	8	0	8	0.00	184.54	N-14
Advance Disposal Services	2014	4Q	59	0	59	1,538.61	1,844.46	N-15
								Net \$
TOTAL						\$6,756.38	\$10,731.34	-\$3,974.96

***Test Data:**

D – Number of commercial customer account differences present between the Black Mountain haulers' reports and the customer listing report.

C – Number of adjustments processed to correct the differences.

No – Number of differences where no adjustments were processed to correct the differences.

+\$ - The increase in Fee collected by the County for the differences not being corrected.

-\$ - The decrease in Fee collected by the County for the differences not being corrected.

NA – No differences were present.

****Notes** – Additional information from the Error Logs.

N-1 - In addition to the 72 differences noted, there were 87 accounts listed on the Black Mountain haulers' reports, but not on the customer list. In addition, 55 accounts were listed on the customer list, but not on the hauler report. Total differences were 214.

N-2 - The 273 differences between the two reports indicate that the customer lists received from the haulers were inaccurate.

N-3 - In addition to the 54 differences noted, there were 125 active accounts not listed on the customer list and 40 active accounts listed on the haulers' report, but not on the customer list. Total differences were 219. The customer list received from SWM was inaccurate.

N-4 - In addition to the 20 differences noted, there were 85 active accounts not listed on the customer list and 179 active accounts listed on the haulers' report, but not on the customer list. Total differences were 284. The customer list received from SWM was inaccurate.

N-5 - In addition to the 8 differences noted, there were 61 accounts listed on the haulers' report, but not on the customer lists. We could not determine a reason; checking the route number, none were found. There were also 5 accounts that we could not determine if they were duplicate accounts. Total differences were 74.

APPENDIX

Citrus County Solid Waste Commercial Disposal Fees

N-6 - The customer listing received from the haulers did not list the sizes of the dumpsters and the number of bags. Analysis could not be performed.

N-7 - The customer listing received from the hauler only contained 19 accounts. The accounts did not list quantities or frequency. Analysis could not be performed.

N-8 - The hauler report listed 18 accounts where the pickup was for bags. The customer listing received from SWM did not have the number of bags.

N-9 - In addition, 77 accounts listed on the customer listing received from SWM did not list the frequency.

N-10 - The customer listing from SWM contained 78 accounts that did not list the frequency.

N-11 - The customer listing from SWM contained 44 accounts that did not list the frequency.

N-12 - In addition, there were 5 accounts listed on the customer listing, but not on the hauler report. The Black Mountain application has the accounts listed under the correct Black Mountain account. We could not determine a reason for the error.

N-13 - The customer listing received from the hauler contained incorrect information. We could not perform the analysis.

N-14 - The customer listing received from the hauler was incomplete. Only 8 accounts could be tested and 49 accounts could not be confirmed.

N-15 - The customer listing received from Solid Waste was inaccurate. The transfer of the information from Veolia was incorrect. Advance Disposal Services may have changed the data when the accounts were taken over.



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